



## Fooled by Randomness - The Hidden Role of Chance in Life and in Markets

Nassim Nicholas Taleb, -- 2001, Texere LLC

*Reviewer: Jacob Thomas<sup>1</sup> and Lalith Achoth<sup>2</sup>*

*1. Secretary, Food & Civil Supply, Lucknow, Uttar Pradesh.*

*2. University of Veterinary Sciences, Bangalore*

Nassim Nicholas Taleb as his name indicates has a complex origin: Greek-Turkish probably, domiciled in the U.S. No wonder, chance becomes the hero of his life. The survivor wins the bet. There is little scope for planning or for direction. Still Taleb admittedly made money in the Wall Street. Is it only chance or clever observation coupled with scrupulous risk aversion? One would never know from the book. Because this charming book is about neither markets nor chance, and money is kept at a place where it should be. It is about Taleb's love of philosophy, mathematics and literature. How love of knowledge can transcend the narrow streets of super-specialisation and embrace a classicist view is what he is trying to tell us in the book.


It should be a mandatory first read for researchers in any discipline. Taleb's eclectic interests range from anything mathematical and scientific to the literary and poetic. There is hardly anything left intellectual or artistic which Taleb does not have an opinion about.

Probability for Taleb, it is not the calculation of odds in a deterministic way, it is more about the understanding, in a stoic manner, of the fact that we know very little about what is outside us and probably more importantly, what is within us.

His abject contempt for newspapers and the media in general is something all sane people share. His puzzle on the false positives in testing of costly drugs deserves to be the warning signal to all those who troop to the Big-name hospitals, with Bigger-name specialists who hand out death verdicts, sweet -coated with "Don't worry, we will manage it. We have excellent facilities here; meaning "It may take a few months or a couple of years for the patient to die. And anyway, the longer, the better; for the bottom-line of our hospital."

Though a voracious reader of medical literature, I find it astonishing that Taleb is completely blind to the possibilities of alternate medicine. In fact he says there is only one medicine, no alternative. Coming from the disciple of Karl Popper who believed that everything scientific should be falsifiable, it only proves what Taleb is trying all along to prove: we are capable of some knowledge, but application of it to our own lives is an entirely different matter, and intellectual intolerance can hide safely in the most liberal and sceptical of minds.

Taleb is no crusty, disappointed academic who has failed in his political manoeuvres to be the head of the department of a university. His passion for learning is



intrinsic. His survival in the Wall Street shows his clever artistry. Still, if the man says it is only chance, it shows his unbelievable modesty. Let us hope chance favours the production of more Talebs on this planet. Till then, let us try to learn something from his book.

The story of Nero, the hero of the book who finally gets taken away by the Black Swan shows the book carries

a long tradition dating back to the classical Greek tragedies. I don't want to tell you the whole story. Go out, buy this book, read it and then go out again to buy his latest one, The Black Swan : The Impact of the Highly Improbable.

Sorry I have to end as, I have to stop here. I am in a hurry. I am going out to buy "The Black Swan."